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A review and analysis of municipal budgets and audit reports for the Town of Granite Quarry to determine local revenues and expenditures, particularly expenditures for capital improvements, over the past few fiscal years, and thereby make projections for future revenues and expenditures, particularly expenditures for capital improvements and limitations for debt service, over the next six fiscal years; and to project public improvement needs over the fifteen year period following the capital budgeting study period.

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CAPITAL BUDGET/PUBLIC IMPROVEMENTS PROGRAM

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INTRODUCTION AND PURPOSE

INTRODUCTION AND PURPOSE

A "capital improvements budget" is basically a listing of projects (capital improvements) with amounts and sources of funds necessary to complete the work. A "public improvements program" is basically a planned program for providing relatively long-range public capital improvements. These should both be considered as major tools of planning for guiding capital expenditures on public improvements for the community along desirable courses and for insuring that they proceed in an orderly manner.

There are two fundamental differences between a "public improvements program" and a "capital improvements budget." First, whereas a public improvements program is relatively long-range (15 to 20 years) in planning, a capital improvements budget is relatively short-range (5 to 6 years). And second, whereas a public improvements program merely schedules major projects in designated fiscal years, a capital improvements budget schedules both major and minor projects in designated fiscal years with an attached cost estimate by each itemized project.

How should public improvements be selected for programming? First, they should be considered in the context of total community needs. Second, they must be developed within the individual community's financial resources and be supported by a sound financial plan. And third, the program must be kept flexible through periodic review and subsequent revision. Individual improvement projects, even long-range projects, should be evaluated annually, or at least biennially, to confirm their continued need and time scheduling.

It is important that public improvement projects not be undermined by special interest groups which cannot or will not look at total community

needs, facilities, and services. The formulation of a capital improvements budget and public improvements program for a community should be based on an impartial evaluation of needs and those needs converted into projects which will improve the situation. A timetable, based on total community priorities, should then be established for the development of those important projects.

What is needed in the preparation of a capital improvements budget and public improvements program? Most basic is the need for relevant information which can be gathered and subsequently analyzed. Fundamental data concerning a municipality's own unique characteristics must include population trends with potential growth factors, economic base and relative stability, industrial development, and local policies, practices, and attitudes which can have a great effect on current and future public improvements.

The local planning agency should be given a major role in the preparation, development, review, and modification of an effective long-range public improvements program. Its responsibility should include an analysis of all project proposals to determine if these proposals conform to the town's comprehensive plan for development. This responsibility should also include the ability to make recommendations with respect to priorities, special projects, and methods of financing, as well as suggesting alternative courses of action.

This capital improvements budget/public improvements program will consider the financial capabilities of the Town of Granite Quarry to implement the specific proposals. It will also list the needed capital items over the next six fiscal years and the needed public improvements over the following fifteen years, and evaluate each one of these items to

determine priorities. More specifically, this determination of project needs and priorities will be based upon first, an estimate of the present financial resources and probable future trends in revenues and expenditures; second, an appraisal of the many factors influencing the operation and success of the program; and third, an understanding of the legal requirements and prior commitments which permit or restrict a municipality from following a desired course of action.

BACKGROUND INFORMATION

BACKGROUND INFORMATION

Granite Quarry is primarily a residential town, though it does have a small downtown business area and some light industrial plants. As the town and surrounding environs continue to increase in population, a corresponding increase is likely in the commercial potential and subsequent development of downtown Granite Quarry. A small industrial park area has recently been created in the sparsely populated southwest portion of Granite Quarry.

According to the 1970 census, the Town of Granite Quarry has a population of 1,344, an increase of 285 (27 percent) people over the 1960 population figure of 1,059. Most of this population growth may be thought of as "natural" or internal rather than peripheral growth. Annexations during the decade of the 1960s accounted for an increase of only 58 people. Two small areas were annexed in 1974, and both by petition. One of these, along U. S. 52 south, immediately preceded the construction of an industrial plant. The other, along Old Stone House Road, took in a mobile home park with an estimated total population of 50.

In regard to the composition of the population by race, the 1970 census indicated 1,026 whites (76 percent) and 318 blacks (24 percent) lived in Granite Quarry. The median age in Granite Quarry was 29.5. This was less than the City of Salisbury's 33.8 and Rowan County's 31.1, but above the state's 28.1 median age figure. 34.6 percent of Granite Quarry's people are under 18 years of age while 10.3 percent are 65 years and over.

Granite Quarry had 426 households in 1970 as compared to only 312 in 1960, or an increase of 36.5 percent. There are 3.18 people per household in Granite Quarry as compared with 2.80 in Salisbury and 3.03 in Rowan County. The vacancy rate in Granite Quarry is only one percent--lowest of any Rowan

County municipality. Approximately 90 percent of the housing units in Granite Quarry are single-family units. 73 percent of the units in Granite Quarry are owner-occupied. The 1970 census listed only 7 percent of the housing units as not having complete plumbing facilities and only 6 percent as overcrowded. In regard to value of the units, 40 percent of the owner-occupied units in 1970 had an estimated value of below $10,000 and 9 percent were valued at over $25,000. Of the rental units, 60 percent rented for below $60 per month and 6 percent for over $100 per month.

Urban growth and expansion is being experienced in Granite Quarry and is expected to continue at an accelerated pace. Suburban residential areas are sprouting to the north and south of town along and near U. S. 52; similar suburban-type developments may be expected within the next 15 years to the east and west of town. The downtown district will emerge as a bonafide commercial area if residential zoning is maintained in existing residential districts and patterns of development are encouraged to continue in a logical, planned manner. Industrial prospects are now casting a favorable eye on Granite Quarry as a prime, growing, expanding area.

Granite Quarry began its planning operation in May 1966 with the formulation of a 5-man planning board, and expanded that board to 7 members in April 1969. In October 1972 an Advisory Board was appointed. This 7-member Advisory Board is composed of persons residing in the extraterritorial jurisdictional area who meet with the Granite Quarry Planning Board (and with the Granite Quarry Zoning Board of Adjustment) to formulate plans, policies, and ordinances to insure the orderly growth and development of the area.

The first study undertaken by the Granite Quarry Planning Board was a Comprehensive Plan showing existing development and planned future

development. This study was published March 1970. A second report, entitled Community Facilities Study, was published March 1971. The contents of these reports have been instrumental in the formulation of this Capital Budget/Public Improvements Program. A Community Appearance Study was published in June of 1974.

Granite Quarry adopted its first zoning ordinance February 1971, and readopted that ordinance, with amendments, June 1972. A major revision of the zoning ordinance, completed April 1973, showed zoning in major growth areas outside the town limits. Zoning throughout the remainder of the Granite Quarry jurisdictional area was completed during the 1974-75 fiscal year.

L E G E N D

GRANITE QUARRY
EXISTING COMMUNITY FACILITIES

MAP 1

1 Town Hall - Fire Station

2 Water Tower

3 Granite Quarry Elementary School

4 Granite Quarry Baseball Field

5 Granite Civic Park

6 Granite Quarry Recreation Center

7 Granite Lake

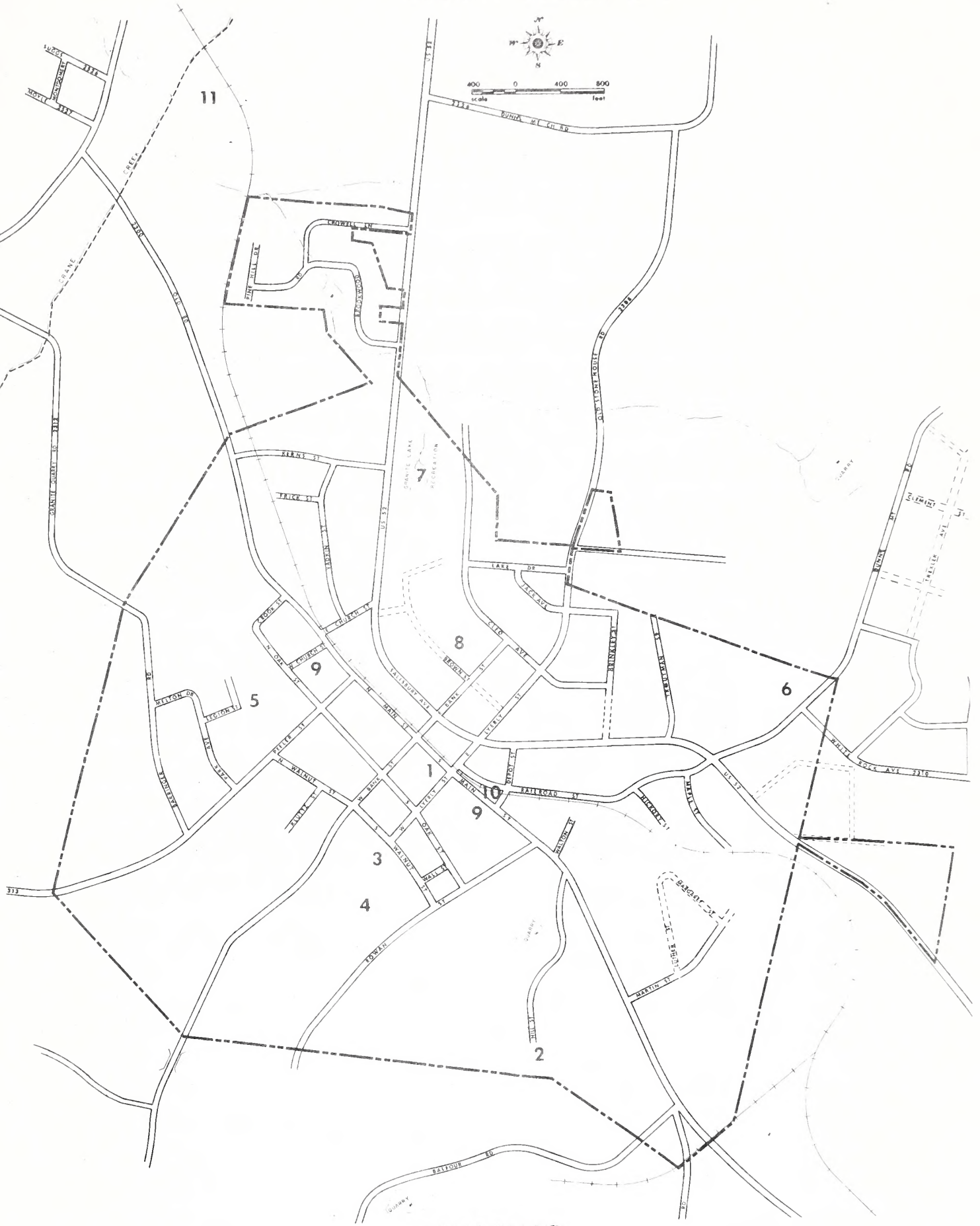
8 Land Owned by Granite Quarry Development Association, Inc.

9 Other Land Owned by the Town of Granite Quarry

10 Present Site of Granite Quarry Railway Depot

11 Wastewater Treatment Facility

GRANITE QUARRY, N. C.



EXISTING COMMUNITY FACILITIES

FINANCING THE CAPITAL BUDGET

FINANCING THE CAPITAL BUDGET

Revenues and Expenditures

An analysis has been made of past revenues and expenditures for the Town of Granite Quarry. Information used in this analysis has been obtained through a study of municipal audit reports for the fiscal years 1968-69 through 1973-74. Data gained from the study provides a clearer understanding of the probable growth in revenues, as well as how much of the revenues may need to be expended for capital improvements--if the amount expended for capital improvements is to remain at the current level. It is thereby possible, from this data, to make more intelligent assumptions about the town's abilities to pay for future capital improvements.

Revenues: Trends and Sources

A summary of actual town revenues is shown in Table 1. It should be noted that, for the purposes of this particular report, it was necessary to depart from the standard auditing procedures which are required for the auditing report, to be assured that revenues were not counted more than once. This situation applies in an audit report when money is counted as a revenue for one fund, but then transferred to another fund where the money is counted as a revenue for a second time. In instances such as these, caution was used in counting revenues only once. The same procedure was used, of course, in counting expenditures.

TABLE 1 REVENUE* TRENDS

Fiscal Year	Revenues	Numerical Differences	Percentage Differences
FY 1968-69	$185,433		
FY 1969-70	$213,207	+$27,774	+15.0
FY 1970-71	$246,505**	+$33,298	+15.6
FY 1971-72	$285,236***	+$38,731	+15.7
FY 1972-73	$340,462	+$55,226	+19.4
FY 1973-74	$435,857	+$95,395	+28.0

*Includes budgeted surpluses from previous years

**An additional amount of $150,520 was also available in the form of a Federal grant for water/sewer construction

***An additional amount of $48,073 was also available in the form of a Federal grant for water/sewer construction

SOURCE: Granite Quarry Audit Reports

The trend shows a fairly steady, growing revenue base, with an average rate of increase of about 18.7 percent per year over the past five fiscal years. Additional revenues from federal grants were received as indicated in Table 1 footnotes. These "revenues" have not been included in the original calculations to prevent showing a misrepresentation of the town's revenues and revenue trends. Nevertheless, federal funds must be acknowledged as a source of revenues during fiscal years 1970-71 and 1971-72. Some actual distortion of the town's revenue trends may also arise from the town's receiving general revenue sharing money beginning in fiscal year 1971-72. As is shown on page 23, the town received about $7,300 in fiscal year 1971-72, over $15,000 in fiscal year 1972-73. This money may tend to show the town's revenues accelerating at a higher rate than is actually the case.

Total revenues, including budgeted surpluses from previous years, are broken down by various funds within the municipal budgets for fiscal years 1968-69 - 1973-74 in Table 2. The General Revenue Sharing Trust Fund was

established for fiscal year 1972-73 with the arrival of general revenue sharing funds. Fairly steady increases can be noted in the General Fund and Sewer Fund (since its creation in fiscal year 1970-71). Slight fluctuations should be noted in the Water Fund and great fluctuations can be seen in the Powell Bill Fund--attributable mainly to the carryover of funds from one fiscal year to another and a change in state allocations (see next paragraph). Unlike the other funds, the Debt Service Fund is not subject to appreciable change and is established through fiscal year 2005-06 (to be discussed later in report).

Some of the more major sources of revenues, particularly under the General Fund, are shown according to type and fiscal year in Table 3. No carryover of funds from one fiscal year to another is shown here. The most significant increase in revenues has come from collection of local taxes during the current year which, according to audit reports, increased by 107 percent between FY 1968-69 and FY 1973-74. A decrease of 59 percent over that time period can be noted in ABC revenues, but a 163 percent increase can be shown in revenues from beer and wine tax. Revenues from water and sewer sales are continuing to increase at a rapid pace (an 81 percent increase for water) while Powell Bill funds increased at about 75 percent between FY 1971-72 and FY 1972-73. This substantial increase in Powell Bill funds was due to an increase in the state allotment to all North Carolina municipalities, that allotment being based on a formula. Powell Bill funds, unlike other state-received funds, are limited by statute (North Carolina General Statute 136-41.3) to be expended only for the purpose of the maintenance, construction, or improvement of streets within the town limits.

TABLE 2 TOTAL REVENUES* BY BUDGET FUNDS

Fiscal Year	General Fund	General Revenue Sharing Trust Fund	Water Fund	Sewer Fund	Debt Service Fund	Powell Bill Fund	Total
FY 1968-69	$127,233	N.A.	$37,971	N.A.	N.A.	$20,229	$185,433
FY 1969-70	$121,629	N.A.	$37,190	N.A.	$28,680	$25,708	$213,207
FY 1970-71	$147,542	N.A.	$35,613	$ 5,182	$47,575	$10,593	$246,505
FY 1971-72	$179,908	N.A.	$32,245	$15,385	$48,949	$ 8,749	$285,236
FY 1972-73	$195,276	$18,903	$39,892	$20,590	$47,191	$18,610	$340,462
FY 1973-74	$231,510	$36,122	$48,681	$38,147	$47,505	$33,892	$435,857

* Including budgeted surpluses
N.A. means not applicable

SOURCE: Granite Quarry Audit Reports

TABLE 3 SELECTED REVENUE SOURCES AND TRENDS

	FY 1968-69	FY 1969-70	FY 1970-71	FY 1971-72	FY 1972-73	FY 1973-74	FY 1974-75[f]
Taxes from current year[a]	$24,302	$25,895	$40,504	$44,356	$45,778	$50,359	$57,557
Taxes from previous years[a]	$ 1,047	$ 1,396	$ 1,407	$ 2,694	$ 1,386	$ 1,870	$ 1,200
Local government sales tax[a]	--	--	--	--	--	$11,503	$16,500
ABC net revenues[a]	$13,964	$ 9,674	$ 9,225	$ 9,653	$ 6,288	$ 5,790	$ 5,400
Wine and beer tax[a]	$ 1,431	$ 2,252	$ 2,340	$ 3,013	$ 3,222	$ 3,757	$ 3,755
Water sales[b]	$19,857	$23,478	$25,785	$27,024	$33,329	$35,876	$36,000
Sewer charges[c]	--	--	$ 3,702	$13,482	$17,819	$19,283	$19,300
Powell Bill funds[d]	$ 6,580	$ 7,125	$ 7,286	$ 8,015	$16,784	$18,027	$18,000
General Revenue Sharing Funds[e]	--	--	--	--	$18,542	$16,029	$15,325

SOURCE: Granite Quarry Audit Reports, FY 1968-69 - FY 1973-74; Granite Quarry Municipal Budget, FY 1974-75

[a]From General Fund

[b]From Water Fund

[c]From Sewer Fund

[d]From Powell Bill Fund

[e]From General Revenue Sharing Trust Fund

[f]Estimate from current municipal budget

Revenue Estimates for State-Shared & State-Collected Taxes

Wine and Beer Tax:

Wine and beer tax collections for the current year (FY 1974-75) are running approximately six percent above collections for the same period a year ago. Predictions are that this trend will continue and municipalities, like Granite Quarry, which share in wine and beer tax proceeds, can reasonably estimate a five percent increase in revenue from this source over the amount received in FY 1974-75.

Utilities Franchise Tax:

The gross receipts from the utilities franchise tax, particularly the tax on electric power sales, have increased substantially during the year. The revenue increase from this source may exceed 12 percent. However, several bills are pending before the North Carolina General Assembly which would reduce the franchise tax revenue in FY 1975-76 if enacted. At this time municipalities are advised to estimate a 10 percent increase in this revenue source over the amount received during the current fiscal year (FY 1974-75).

Intangibles Tax:

Because of the declining economy, the intangibles tax revenue has declined severely during the current fiscal year. Although returns are incomplete, it is estimated that the revenue from this source may be as much as 13 percent less than the amount received from the intangibles tax during the current fiscal year. Generally, municipalities may estimate this revenue source at 13 percent less than the amount received during the current fiscal year, but the amount will vary considerably from one town to another.

Local Government Sales Tax:

Local government sales tax receipts vary widely from county to county in North Carolina. Collections from the current year indicate that some counties have experienced a 15 percent increase in sales tax revenues, while others have actually declined. On a statewide basis, however, sales tax receipts are up 5 percent over collections from the same period a year ago and the state is projecting a 12 percent increase in sales tax receipts during FY 1975-76. A municipality with an average growth rate may estimate an 8 percent increase in revenues from this source over the amount received during the current year. These figures are highly variable causing extreme difficulty in making reasonably accurate estimates.

Powell Bill Allocations:

State gasoline tax collections for the first eight months of FY 1974-75 (July 1974 through February 1975) are 39 percent below collections for the same period a year ago. Collections from March 1 through June 30 (1975) are expected to increase slightly and the state is estimating the same gasoline tax revenue at the end of this fiscal year as the state received in FY 1973-74. Considering this, municipalities have been advised to estimate the same amount in Powell Bill allocations for FY 1975-76 that they received in FY 1974-75.

Expenditures

Expenditures made by Granite Quarry have also been reviewed. Of particular importance, in the context of this report, is expenditures for capital improvements and debt service, and what percentage of total town expenditures they account for. This percentage, in turn, has been used as the fundamental basis for determining a reasonable amount of expected future

revenues which may be set aside for capital improvements and debt service without creating an overly burdensome hardship on other municipal responsibilities.

One question may be why include debt service with capital improvements. Primarily, debt service is included in this analysis because it reflects annual payments for capital items which are being acquired on a long-term basis. As such it represents a commitment which must be met each year before money can be appropriated for additional capital improvements.

A summary of the analysis of town expenditures over the past six fiscal years is shown on Table 4. Included on the table are columns showing total expenditures, expenditures for capital improvements, and expenditures for debt service. Not shown is the unusually large expenditure for sewer construction. This expenditure, being atypical in nature, would tend to grossly distort the trend. It is shown, however, through annual principal and interest payments on the bonds. It is more appropriate to show the debt payments in this manner (through debt service) since this is how Granite Quarry will actually pay for the facilities. Also not shown on the table are funds spent for water and sewer constructions which were available through federal grants during fiscal years 1970-71 and 1971-72. Since these expenditures are not normal to the usual expenditure pattern and also will not be available every year, it is felt that the appearance of these expenditures in this table would add an unnecessary misrepresentation. Nevertheless, federal grants should not be overlooked as a source of revenue for special purposes.

TABLE 4 ANNUAL EXPENDITURES FOR CAPITAL IMPROVEMENTS AND DEBT SERVICE

Fiscal Year	Total Expenditures	Expenditures for Capital Improvements	Expenditures for Debt Service
1968-69	$ 70,613	$16,278	$17,823
1969-70	121,758	25,942	26,680
1970-71	113,352	17,139	47,575
1971-72	130,357	15,353	48,949
1972-73	110,421	6,886	47,191
1973-74	181,983	58,173	47,505

SOURCE: Granite Quarry Audit Reports

Table 4 also shows that over the past six fiscal years outlays for capital improvements and debt service have generally increased as have total town expenditures. The increase in debt service is significant for the last four fiscal years because it shows the addition of annual payments for sewer bonds. In fact, debt service represents a major portion of all expenditures, and must be considered in anticipating or projecting future revenues which will be available for new capital improvements.

Annual expenditures are shown as a percentage of revenues received in Table 5. That percentage has been unsteady, fluctuating between a low of 32.5% in FY 1972-73 to a high of 57.1% in FY 1969-70. The average, annual six fiscal year expenditure as a percentage of revenues received is 42.7 percent.

TABLE 5 ANNUAL EXPENDITURES AS PERCENT OF REVENUES RECEIVED*

Fiscal Year	Revenues	Expenditures	Expenditures as Percent of Revenues
1968-69	$185,433	$ 70,613	38.1%
1969-70	213,207	121,758	57.1%
1970-71	246,505	113,352	46.0%
1971-72	285,236	130,357	45.7%
1972-73	340,462	110,421	32.5%
1973-74	435,857	181,983	41.8%

*includes budgeted surpluses

SOURCE: Granite Quarry Audit Reports

The importance that all capital improvements and debt service have in the budget is shown in Table 6. In this table expenses for capital improvements and debt service are shown as a percent of total expenditures made in the years indicated. While each municipality is separate and unique and should not be thought of in a comparative way, Granite Ouarry has shown in recent years a determination to commit an unusually large percentage of its budget to capital improvements, either directly by annual purchases, or indirectly through debt service payments. The six fiscal year average annual percentage of total town expenditures devoted to capital improvements and debt service is 51.1 percent.

TABLE 6 CAPITAL IMPROVEMENTS AND DEBT SERVICE AS A PERCENT OF TOTAL EXPENDITURES

Fiscal Year	Capital Improvements	Debt Service	Capital Improvements and Debt Service
1968-69	23.1%	25.2%	48.3%
1969-70	21.3%	23.5%	44.8%
1970-71	15.1%*	42.0%	57.1%
1971-72	11.8%	37.5%	49.3%
1972-73	6.2%	42.6%	48.8%
1973-74	32.0%	26.1%	58.1%

*these percentages do not include federal grant funds which were used to construct water and sewer facilities

Actual town expenditures for type of capital improvements by fiscal years 1968-69 - 1973-74 are shown in Table 7. Overall, expenditures have been rather erratic and have been very heavily oriented toward water and sewer work and street work. The table, however, does not show a "building fund," or money being held in reserve (though not referred to as a "reserve fund") for the purchase of land and construction of a new municipal building. For

this purpose, the town had budgeted $40,000 before FY 1967-68, budgeted $15,000 during FY 1967-68 to bring the fund up to $55,000, was unable to budget any amount the next four fiscal years, but was able to budget $20,000 during FY 1972-73 to bring the building fund amount to $75,000. The $16,000 expended in FY 1973-74 through the use of General Revenue Sharing money for "Municipal Building site" is not a part of that $75,000 "reserve" for building fund.

Table 7 shows almost $76,303 being spent by the town between fiscal years 1968-69 and 1973-74 on street work. This money came from Powell Bill funds, but an additional $8,957 of General Fund money was used for street paving and repairs. Therefore street maintenance is considered a rather high priority item in Granite Quarry. Water line extensions and the relocation of water main and pump station accounted for an expenditure of almost $16,000 while sewer line extensions, the sewer project, and sewer plant warehouse costs accounted for over $8,500.

TABLE 7

EXPENDITURES FOR CAPITAL IMPROVEMENTS
FY 1968-69 - FY 1973-74

	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	TOTAL FY 1968-69 - FY 1973-74
Water line extensions	$ 2,668	$ 200	$ 1,085	$ 110	$ 190	$ 195	$ 4,448
Water line rights-of-way	200						$ 200
Relocation of water main & pump station	$ 9,805	$ 1,595					$11,400
Sewer line extensions						$ 2,720	$ 2,720
Sewer project	$ 1,476						$ 1,476
Sewer plant warehouse				$ 4,373			$ 4,373
Sidewalks						$ 8	$ 8
Street paving and repairs		$ 2,360	$ 6,196		$ 25	$ 376	$ 8,957
Street work*	$ 2,129	$21,787	$ 9,859	$ 6,898	$ 1,775	$33,855	$76,303
Tractor with mower				$ 2,472			$ 2,472
Movable conveyor					$ 1,365		$ 1,365
Pickup truck						$ 2,632	$ 2,632
Office equipment					$ 2,531	$ 490	$ 3,021
Town ordinance rewriting					$ 1,000	$ 1,897	$ 2,897
Special recreation project				$ 1,500			$ 1,500
Municipal Building site						$16,000	$16,000
TOTAL	$16,278	$25,942	$17,140	$15,353	$ 6,886	$58,173	$139,772

*Powell Bill funds

SOURCE: Granite Quarry Audit Reports

Table 8 shows appropriations for capital improvements as presented in the FY 1974-75 municipal budget. Of the $104,225 appropriated, $31,000 (62 percent) would be taken from the Powell Bill Funds for street work. An additional $10,000 General Fund money would go toward further street maintenance (pavings and repairs).

Few vehicles have been necessary because the town has few municipal employees, including no police force (though one is to be established in FY 1975-76). Patroling has been done by the county sheriff's department. Therefore, there has been no local patrol car that has required constant replacing or maintaining. The town also contracts out its garbage collection, so it is also not necessary to have a garbage truck. Vehicles, usually major items on a town's list of capital expense items, have not been necessary items in Granite Quarry. The town's only vehicles are two fire trucks (a 1952 Ford combination pumper and a 1962 Chevrolet LaFrance combination pumper), a 1963 Ford pickup truck, an I. H. Cub tractor with mower, and a movable conveyor.

Projected town revenues and expenditures for capital improvements over the capital budgeting period (FY 1975-76 - FY 1980-81) is shown on Table 9. The annual incremental growth rate of 18.7 percent was derived from averaging revenue increases over the past six fiscal years. This is used in the actual projection of future revenues. Projected expenditures are based on the past six year average annual expenditures per revenues figure of 42.7 percent. 51.1 percent of all expenditures over the past six fiscal years have been devoted to capital improvements and debt service. Projected expenditures for those purposes are based on past expenditures. Debt service is a known factor over the next six fiscal years, so the projected

amount for capital improvements can be computed. The remaining "surplus revenues" figure is the amount when the projected expenditures are subtracted from the projected revenues.

APPROPRIATIONS FOR CAPITAL IMPROVEMENTS
TABLE 8 FY 1974-75

Item	Fund	Dept.	Amount	
Water line extension	Water	--	$ 10,000	$10,000
Sewer line extension	Sewer	--	$ 16,300	
Capital outlay--				$18,300
electrical renovations	Sewer	--	$ 2,000	
Street work	Powell St.	--	$ 18,000	$18,000
Street paving & repairs	General	Public Works	$ 10,000	
Street signs and traffic signals	General	Public Works	$ 200	
Sidewalks	General	Public Works	$ 1,000	$15,700
Street truck	General	Public Works	$ 500	
Backhoe	General	Public Works	$ 4,000	
Reserve for fire truck	General	Fire	$ 5,000	$ 6,500
Truck liner	General	Fire	$ 1,500	
Writing town code	General	Administrative	$ 1,000	
Capital outlay--				$ 1,500
office equipment	General	Administrative	$ 500	
Capital project fund--				
Municipal Building site and construction	Revenue Sharing	--	$ 20,000	
Capital project fund--				$34,225
Paving and landscaping	Revenue Sharing	--	$ 14,225	
		TOTAL	$104,225	

PROJECTED TOWN REVENUES AND EXPENDITURES
FOR CAPITAL IMPROVEMENTS AND DEBT SERVICE
FY 1975-76 - FY 1980-81

TABLE 9

Fiscal Year	Projected Revenues[1]	Expenditures Based on 42.7% of Revenues[2]	Expenditures Based on 51.1% for Capital Improvements And Debt Service[3]	Amount Committed to Debt Service	Available for Capital Improvements	Surplus Revenues
1975-76	$ 517,362	$220,914	$112,887	$47,006	$ 65,881	$296,448
1976-77	$ 614,109	$262,225	$133,997	$47,239	$ 86,758	$351,884
1977-78	$ 728,947	$311,260	$169,274	$47,426	$121,848	$417,687
1978-79	$ 865,260	$369,466	$188,797	$46,578	$142,219	$495,794
1979-80	$1,027,064	$438,556	$224,102	$46,729	$177,373	$588,508
1980-81	$1,219,125	$520,566	$266,009	$46,835	$219,174	$698,559

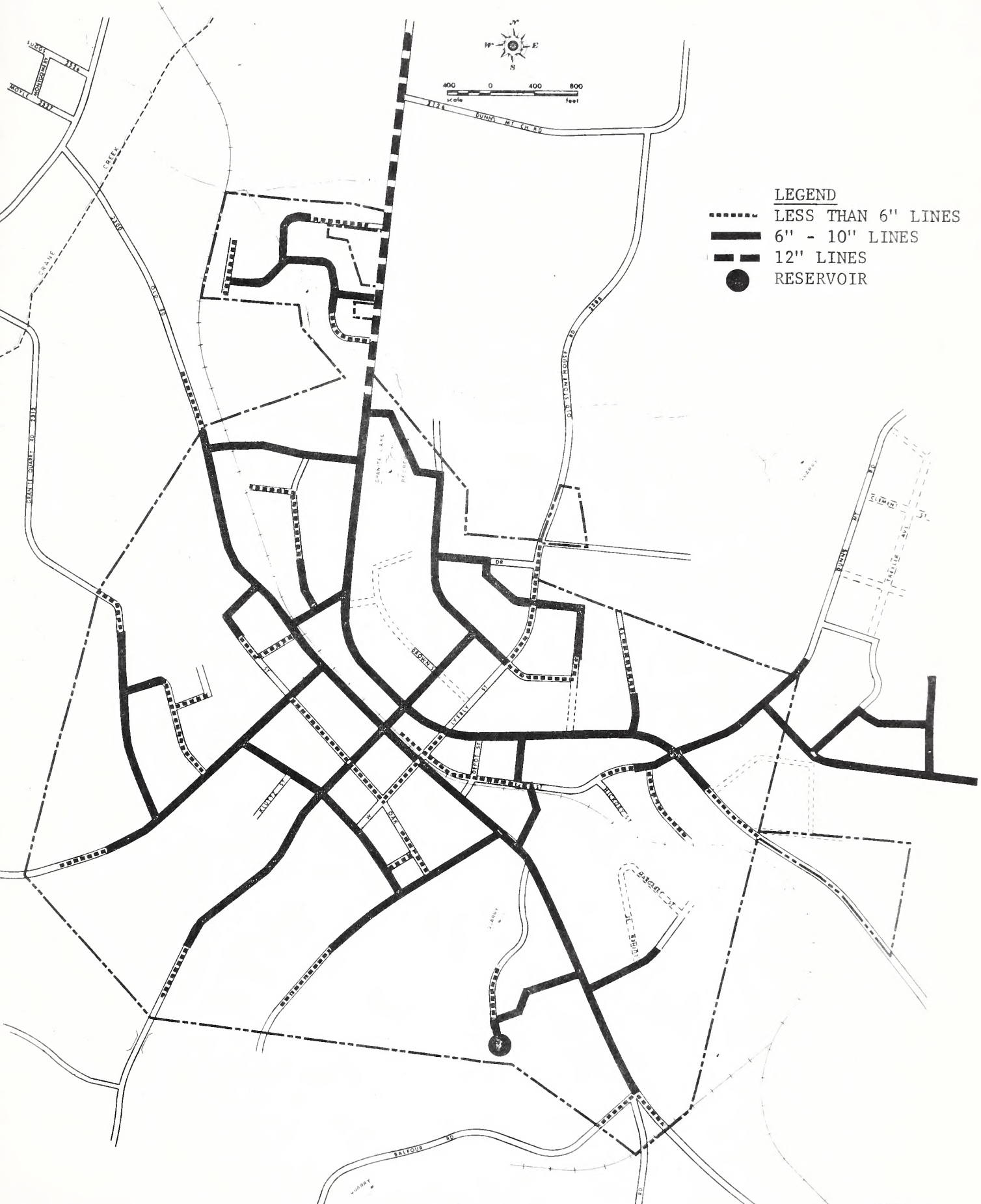
[1]Based on average annual incremental growth, FY 1968-69 - FY 1973-74, of 18.7% (see Table 1)

[2]Does not include funds reserved in special building fund; based on annual average expenditures of revenues, FY 1967-68 - FY 1972-73, of 42.7% (see Table 5)

[3]Based on average annual expenditures devoted to capital improvements and debt service, FY 1967-68 - FY 1972-73, of 51.1% (see Table 6)

EXISTING WATER SYSTEM

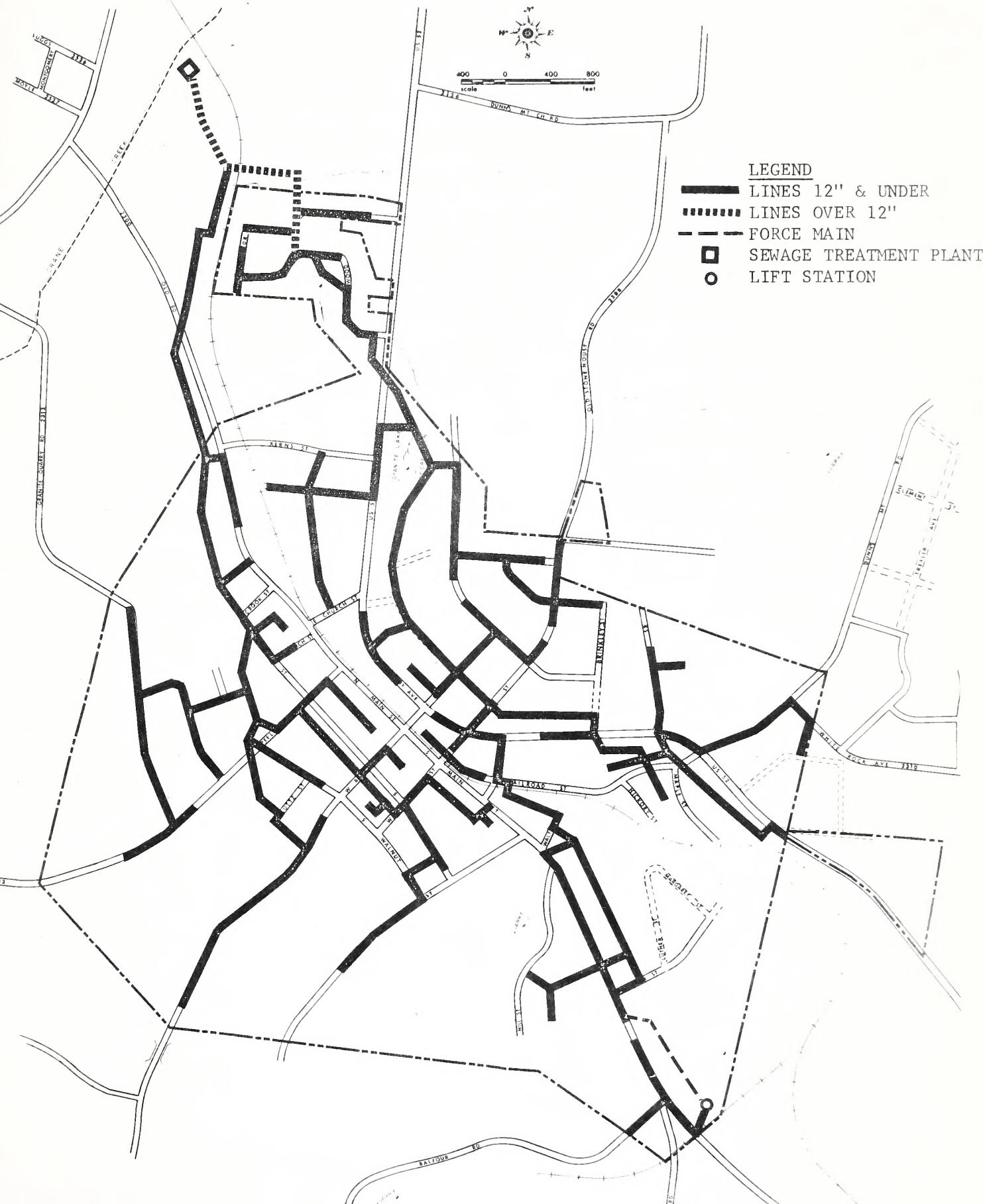
GRANITE QUARRY, N. C.



MAP-3

EXISTING SEWERAGE SYSTEM

GRANITE QUARRY, N. C.



UNPAVED STREETS

GRANITE QUARRY, N. C.

General Revenue Sharing

Revenue sharing is a relatively new source of income and deserves special attention. Revenue sharing is a concept where revenues are distributed from the federal government back to state and local units of government. Moreover, revenue sharing is an attempt to decentralize much of the authority over the use of federal funds for domestic programs to state and local officials.

Revenue sharing may appear in more than a single form. For example, there is General Revenue Sharing and Community Development Revenue Sharing. General Revenue Sharing began in 1972. This type revenue sharing, however, was not intended as a replacement for the categorial grant program. Its "replacement" is the Community Development Revenue Sharing Program, which is to begin in fiscal year 1975-76, and will be discussed in the next section.

General Revenue Sharing funds received by units of local government may be used only for "priority expenditures," which includes "ordinary and necessary capital expenditures authorized by law" and "ordinary and necessary maintenance and operating expenses." This latter category includes the following:

(1) public safety (law enforcement, fire protection, and building code enforcement)

(2) environmental protection (sewage disposal, sanitation, and pollution abatement)

(3) public transportation (transit systems and streets)

(4) health

(5) recreation

(6) libraries

(7) social services for the poor and aged

(8) financial administration

Use of the funds for debt retirement is a permissible expenditure provided that:

(1) the funds are not used to pay any interest of the debt

(2) the debt was originally incurred for a priority expenditure purpose

(3) the actual expenditures from the proceeds of the indebtedness was made on or before January 1, 1972

(4) the actual expenditures from the proceeds of the indebtedness were not in violation of any restrictions as herein enumerated

In General Revenue Sharing, state governments receive one-third of the total allocations and the local units of government receive the remaining two-thirds. Distributions are made by formula which considers population, income (per capita), and local tax rate. Formula allocations are determined by multiplying the town's population by the local tax rate, and dividing that total by the per capita income.

Thus far, the Town of Granite Quarry has received the following General Revenue Sharing money:

(1)	for the period January 1 - June 30, 1972:	$ 7,313
(2)	for the period July 1 - December 31, 1972:	7,081
(3)	for the period January 1 - March 31, 1973:	4,148
(4)	for the period April 1 - June 30, 1973:	4,149
(5)	for the period July 1 - September 30, 1973:	3,960
(6)	for the period October 1 - Dec. 31, 1973:	3,960
(7)	for the period January 1 - March 31, 1974:	3,960
(8)	for the period April 1 - June 30, 1974:	3,960
(9)	for the period July 1 - September 30, 1974:	3,831
(10)	for the period October 1 - Dec. 31, 1974:	3,831
(11)	for the period January 1 - March 31, 1975:	3,831
(12)	for the period April 1 - June 30, 1975:	3,831
		$53,855

The Town should be receiving an additional $18,650 in General Revenue Sharing funds for fiscal year 1975-76. This money would be allocated to the Town as follows:

(1) for the period July 1 - Sept. 30, 1975:	$4,662.50
(2) for the period Oct. 1 - Dec. 31, 1975:	$4,662.50
(3) for the period Jan. 1 - March 31, 1976:	$4,662.50
(4) for the period April 1 - June 30, 1976:	$4,662.50

There is considerable uncertainty about the future of General Revenue Sharing after December 1976.

Thus far, most of the General Revenue Sharing money in Granite Quarry has been put in a trust fund for the new Municipal Building. When enough money has been saved to purchase and furnish the new facility, priorities for spending the remainder of the General Revenue Sharing money should be established. Capital items should rank high on that priority list. One such capital item for which a portion of the General Revenue Sharing money could be allocated, or set aside for in the Reserve Fund, is the fire truck which the Town expects to purchase in fiscal year 1979-80.

Community Development Revenue Sharing

Applicability and Scope:

The community development block grant program replaces the following programs consolidated by the Housing and Community Development Act of 1974:

(a) Urban renewal (and neighborhood development programs) under Title I of the Housing Act of 1949;

(b) Model cities under Title I of the Demonstration Cities and Metropolitan Development Act of 1966;

(c) Water and sewer facilities under Section 702 of the Housing and Urban Development Act of 1965;

(d) Neighborhood facilities under Section 703 of the Housing and Urban Development Act of 1965;

(e) Public facilities loans under Title II of the Housing Amendments of 1955;

(f) Open space land under Title VII of the Housing Act of 1961; and

(g) Rehabilitation loans under Section 312 of the Housing Act of 1964 (except that such loans may be made under the authority of Section 312 of the Housing Act of 1964, as amended, until August 22, 1975).

Objective and Purpose of Program:

The primary objective of the Community Development Program is the development of viable urban communities, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Consistent with this primary objective, the federal assistance provided is for the support of community development activities which are directed toward the following specific objectives:

(1) The elimination of slums and blight and the prevention of blighting influences and the deterioration of property and neighborhood and community facilities of importance to the welfare of the community, principally persons of low and moderate income;

(2) The elimination of conditions which are detrimental to health, safety, and public welfare, through code enforcement, demolition, interim rehabilitation assistance and related activities;

(3) The conservation and expansion of the housing stock in order to provide a decent home and a suitable living environment for all persons, but principally those of low and moderate income;

(4) The expansion and improvement of the quantity and quality of community services, principally for persons of low and moderate income, which are essential for sound community development and for the development of viable urban communities;

(5) A more rational utilization of land and other natural resources and the better arrangement of residential, commercial, industrial, recreational, and other needed activity centers;

(6) The reduction of the isolation of income groups within communities and geographical areas and the promotion of an increase in the diversity and vitality of neighborhoods through the spatial deconcentration of housing opportunities for persons of lower income and the revitalization of deteriorating or deteriorated neighborhoods to attract persons of higher income; and

(7) The restoration and preservation of properties of special value for historic, architectural or aesthetic reasons.

Eligible Activities:

Grant assistance for a community development program may be listed only for the following activities:

(1) Acquisition in whole or in part by purchase, lease, donation, or otherwise, of real property (including air rights, water rights, and other interests therein) which is--

(a) Blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth, as determined by the recipient pursuant to state and local laws;

(b) Appropriate for rehabilitation or conservation activities;

(c) Appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development;

(d) To be used for the provision of public works, facilities, and improvements eligible for assistance; or

(e) To be used for other public purposes, including the conversion of land to other uses where necessary or appropriate to the community development program.

(2) Acquisition, construction, reconstruction, or installation of the following public works, facilities, and site or other improvements: neighborhood facilities, senior centers, historic properties, utilities, streets, street lights, water and sewer facilities, foundations and platforms for air rights sites, pedestrian malls and walkways, and parks, playgrounds, and other facilities for recreational participation; flood and drainage facilities in cases where assistance for such facilities has been determined to be unavailable under other federal laws or programs, and parking facilities, solid waste disposal facilities, and fire protection services and facilities which are located in areas or which serve areas in which other activities are being, or are to be, carried on.

(3) Code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public improvements and services to be provided, may be expected to arrest the decline of the area.

(4) Clearance, demolition, removal, and rehabilitation of buildings and improvements including: (a) interim assistance to alleviate harmful

conditions in which immediate public action is needed; (b) financing rehabilitation of privately owned properties through the use of grants, direct loans, loan guarantees, and other means, when in support of other activities; and (c) demolition and modernization (but not new construction) of publicly owned low-rent housing.

(5) Special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons.

(6) Payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for the relocation of individuals and families displaced by program activities.

(7) Disposition, through sale, lease, donation, or otherwise of any real property acquired, or its retention for public purposes, provided that the proceeds from any such disposition shall be expended only for activities in accordance with this part.

(8) Provision of public services not otherwise available in areas, or serving residents of areas, in which the recipient is undertaking, or will undertake, other activities where such services are determined to be necessary or appropriate to support such other activities and where assistance in providing or securing such services under other applicable federal laws or programs has been applied for and denied or not made available. For the purposes of this portion, such services shall be directed toward: (a) improving the community's public services and facilities including those concerned with the employment, economic development, crime prevention, child care, health, drug abuse, education, welfare, or recreation needs of persons residing in such areas; and (b) coordinating public and private development programs.

(9) Payment of the non-federal share required in connection with a federal grant-in-aid program undertaken as part of the community development program provided that such payment shall be limited to activities otherwise eligible under this section.

(10) Payment of the cost of completing a project funded under Title I of the Housing Act of 1949, including the provisions for financial settlement.

(11) Relocation payments and assistance for individuals, families, businesses, organizations, and farm operations displaced by activities assisted under this part, including all benefits at least equal to the minimum levels established under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

(12) Activities necessary: (a) to develop a comprehensive community development plan (which plan may address the needs, strategy, and objectives to be summarized in the application, but may treat only such public services as are necessary or appropriate to support activities meeting such needs and objectives); and (b) to develop a policy/planning/management capacity so that the recipient may more rationally and effectively--

--determine its needs

--set long-term goals and short-term objectives

--devise programs and activities to meet the goals and objectives

--evaluate the progress of such programs in accomplishing these goals and objectives

--carry out management, coordination, and monitoring of activities necessary for effective planning implementation

(13) Payment of reasonable administrative costs and carrying charges related to the planning and executing of community development and housing activities, including the provision of information and, at the discretion of the recipient, of resources to residents of areas in which other community development activities and the housing activities covered in the Housing Assistance Plan are to be concentrated with respect to the planning and execution of such activities.

Ineligible Activities:

Any type of activity not described above is ineligible. The following list of examples of ineligible activities is merely illustrative, and does not constitute a list of all ineligible activities:

(1) Public facilities. The general rule is that a public facility is ineligible to be acquired, constructed, reconstructed, rehabilitated, or installed unless it is specifically mentioned in the preceding section, or was previously eligible under any of the programs consolidated by the Act (except the public facilities loan program, the model cities program, and as an urban renewal local grant-in-aid eligible under the Housing Act of 1949) and cited herein. Examples of facilities which <u>cannot</u> be provided with these funds include the following:

(a) Buildings and facilities for the general conduct of government, such as city halls and other headquarters of government (where the governing body meets regularly), of the recipient and which are predominantly used for municipal purposes, courthouses, police stations, and other municipal office buildings;

(b) Stadiums, sports arenas, auditoriums, concert halls, cultural and art centers, convention centers, museums, libraries, and similar facilities which are used by the general public primarily as

spectators or observers, except cultural art, museum, library, and similar facilities undertaken as part of a neighborhood facilities project;

(c) Schools generally, including elementary, secondary, college and university facilities, but excluding a neighborhood facility or senior center in which classes in practical and vocational activities (such as first aid, homemaking, crafts, etc.) may be taught;

(d) Airports, subways, trolley lines, bus or other transit terminals or stations, and other transportation facilities; and

(e) Hospitals, nursing homes, and other medical facilities, but excluding a neighborhood facility or senior center in which health services are but part of the services offered.

(2) Operating and maintenance expenses. Except for the public services described in the preceding section and the interim assistance authorized, operating and maintenance expenses in connection with community services and facilities are not eligible. Examples include maintenance and repairs of water and sewer and parking facilities, and salaries of staff operating such facilities.

(3) General government expenses. Except for the provisions in the preceding section, expenses required to carry out the regular responsibilities of the unit of general local government are not eligible. Examples include all ordinary general government expenditures not related to the community development program described in the preceding section, and not related to activities eligible in the preceding section.

(4) Political activities. No expenditure may be made for the use of equipment or premises for political purposes, sponsoring or conducting candidates' meetings, engaging in voter registration activity or voter transportation (except where part of the community-wide registration drive sponsored by the unit of general local government), or other partisan political activities.

(5) New housing construction. Construction of new permanent residential structures, or any program to subsidize or finance such construction, is not a permissible use of funds provided under this section, except as provided under the last resort housing provisions of 24 CFR Part 43.

(6) Income payments. Except as authorized in the preceding section, funds may not be expended for direct income payments for housing or for any other purpose, except as provided under the last resort housing provisions of 24 CFR Part 43. Examples include payments for income maintenance and housing allowances.

Bonding and Financial Capacity

Naturally there are limits to the ability of the current funding policy to cope with the requirements of capital outlay, so, when long-term financing of a project is required, it may become necessary to sell bonds. The amount of current revenue available is still a vital factor since it is from this source that debt service payments must be made.

There are two types of bonds: General Obligation Bonds and Revenue Bonds. General Obligation Bonds are backed by the full faith and credit of the municipality or county since they are pledged against the local tax base. State law requires the city or county to levy enough tax per year to pay off its obligation on this bond. Revenue Bonds, on the other hand, are

backed by revenues of the facility they pay for. Examples of these type bonds would be water, electric, and gas. It must be something that brings a profit. Of course, these facilities may also be financed by General Obligation Bonds. Not all money received from this facility need go into paying off the debt. Revenue Bonds are only backed by the pledge of the revenue. Most towns prefer General Obligation Bonds to Revenue Bonds because they carry a lower rate of interest and because of the limitations placed on the use of Revenue Bonds. Debt limitations are 8 percent for towns using General Obligation Bonds, but there is no debt limitation for towns using Revenue Bonds.

North Carolina municipalities are limited by statute as to the amount of bonded indebtedness they may incur under General Obligation Bonds. At the present time the bonded indebtedness for General Obligation Bonds must not exceed 8 percent of the total assessed property valuation within the town. Due to legislation passed by the General Assembly in 1971, the limitation has been based on appraised value rather than assessed value since July 1, 1973. The North Carolina Local Government Commission keeps the records of bond issues. A municipality must have the approval of the Commission prior to issuing bonds per any reason.

Existing debt service (bonded indebtedness) for Granite Quarry is shown in Table 10 and Graph 1. Both the Waterworks Bond and Water-Sewer Bond are Revenue Bonds rather than General Obligation Bonds, so they are not directly effected by the 8 percent debt limitation. As stated previously, interest rates are higher on Revenue Bonds. Interest on the Waterworks Bond is 3 5/8 percent and on the Water-Sewer Bond, 4 1/2 percent. The Waterworks Bond will be paid June 1, 1991, and the Water-Sewer Bond, June 1, 2006. Interest payments on the Water-Sewer Bond are now more than twice the principal, and will not decrease to less than the amount of the principal until FY 1988-89.

Granite Quarry is heavily committed to bond payments through FY 1990-91. Until then, annual bond payments will be between $43,000 and $48,000. After the Waterworks Bond is paid in FY 1990-91, the annual bond payments will be below $27,000 and continuously decrease.

GRANITE QUARRY BONDED INDEBTEDNESS

(PRINCIPAL AND INTEREST)

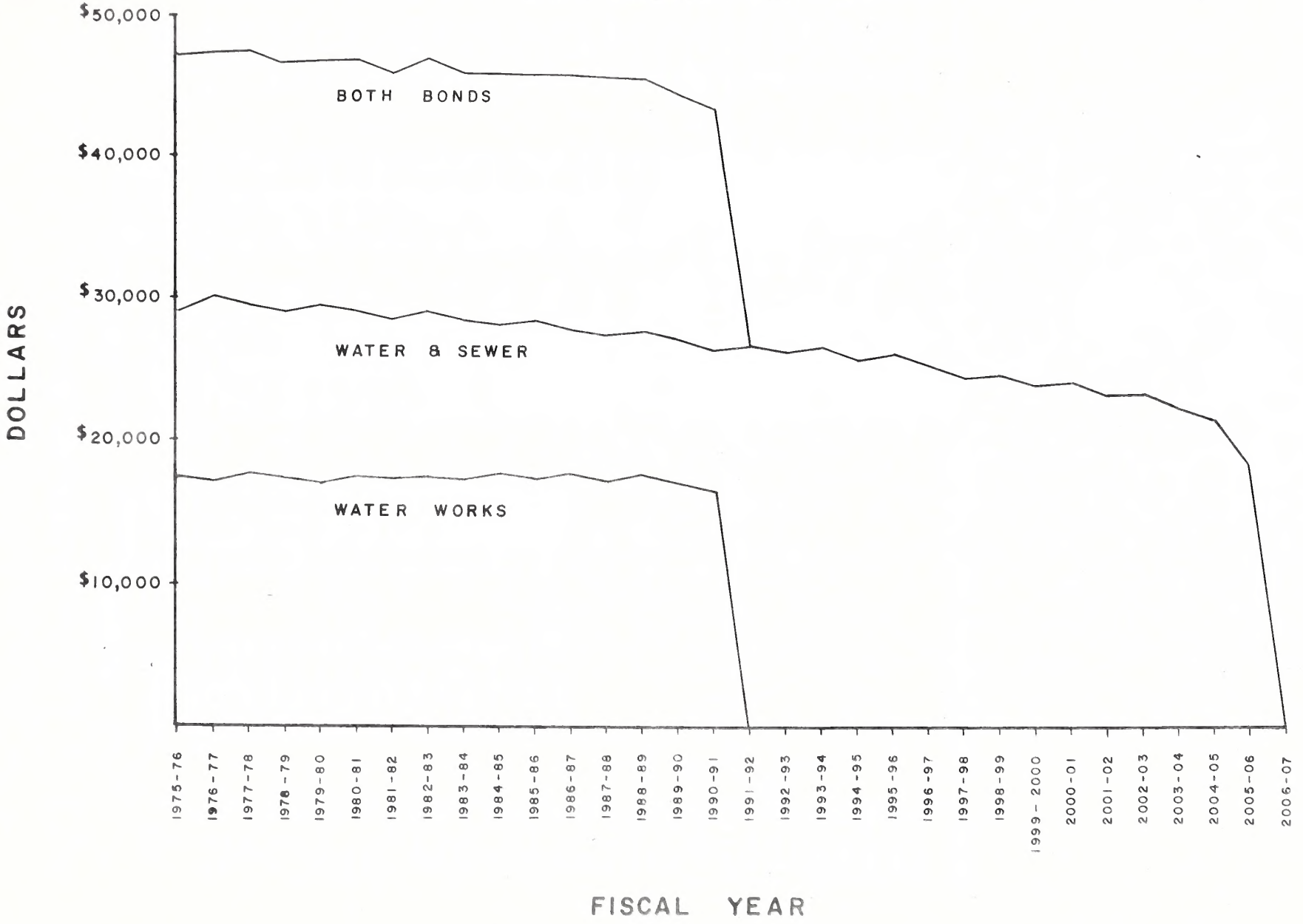


TABLE 10 EXISTING DEBT SERVICE

	Waterworks		Water-Sewer		
Year	Principal	Interest (3 5/8%)	Principal	Interest (4 1/2%)	Total
1975-76	$10,000.00	$7,576.25	$ 9,000.00	$20,430.00	$47,006.25
1976-77	10,000.00	7,213.75	10,000.00	20,025.00	47,238.75
1977-78	11,000.00	6,851.25	10,000.00	19,575.00	47,426.25
1978-79	11,000.00	6,452.50	10,000.00	19,125.00	46,577.50
1979-80	11,000.00	6,053.75	11,000.00	18,675.00	46,728.75
1980-81	12,000.00	5,655.00	11,000.00	18,180.00	46,835.00
1981-82	12,000.00	5,220.00	11,000.00	17,685.00	45,905.00
1982-83	13,000.00	4,785.00	12,000.00	17,190.00	46,975.00
1983-84	13,000.00	4,313.75	12,000.00	16,650.00	45,963.75
1984-85	14,000.00	3,842.50	12,000.00	16,110.00	45,952.50
1985-86	14,000.00	3,335.00	13,000.00	15,570.00	45,905.00
1986-87	15,000.00	2,827.50	13,000.00	14,985.00	45,812.50
1987-88	15,000.00	2,283.75	13,000.00	14,400.00	44,683.75
1988-89	16,000.00	1,740.00	14,000.00	13,815.00	45,555.00
1989-90	16,000.00	1,160.00	14,000.00	13,185.00	44,345.00
1990-91	16,000.00	580.00	14,000.00	12,555.00	43,135.00
1991-92			15,000.00	11,925.00	26,925.00
1992-93			15,000.00	11,250.00	26,250.00
1993-94			16,000.00	10,575.00	26,575.00
1994-95			16,000.00	9,855.00	25,855.00
1995-96			17,000.00	9,135.00	26,135.00
1996-97			17,000.00	8,370.00	25,370.00
1997-98			17,000.00	7,605.00	24,605.00
1998-99			18,000.00	6,840.00	24,840.00
1999-2000			18,000.00	6,030.00	24,030.00
2000-01			19,000.00	5,220.00	24,220.00
2001-02			19,000.00	4,365.00	23,365.00
2002-03			20,000.00	3,510.00	23,510.00
2003-04			20,000.00	2,610.00	22,610.00
2004-05			20,000.00	1,710.00	21,710.00
2005-06			18,000.00	810.00	18,810.00

SOURCE: Granite Quarry Audit Reports

Property Valuation

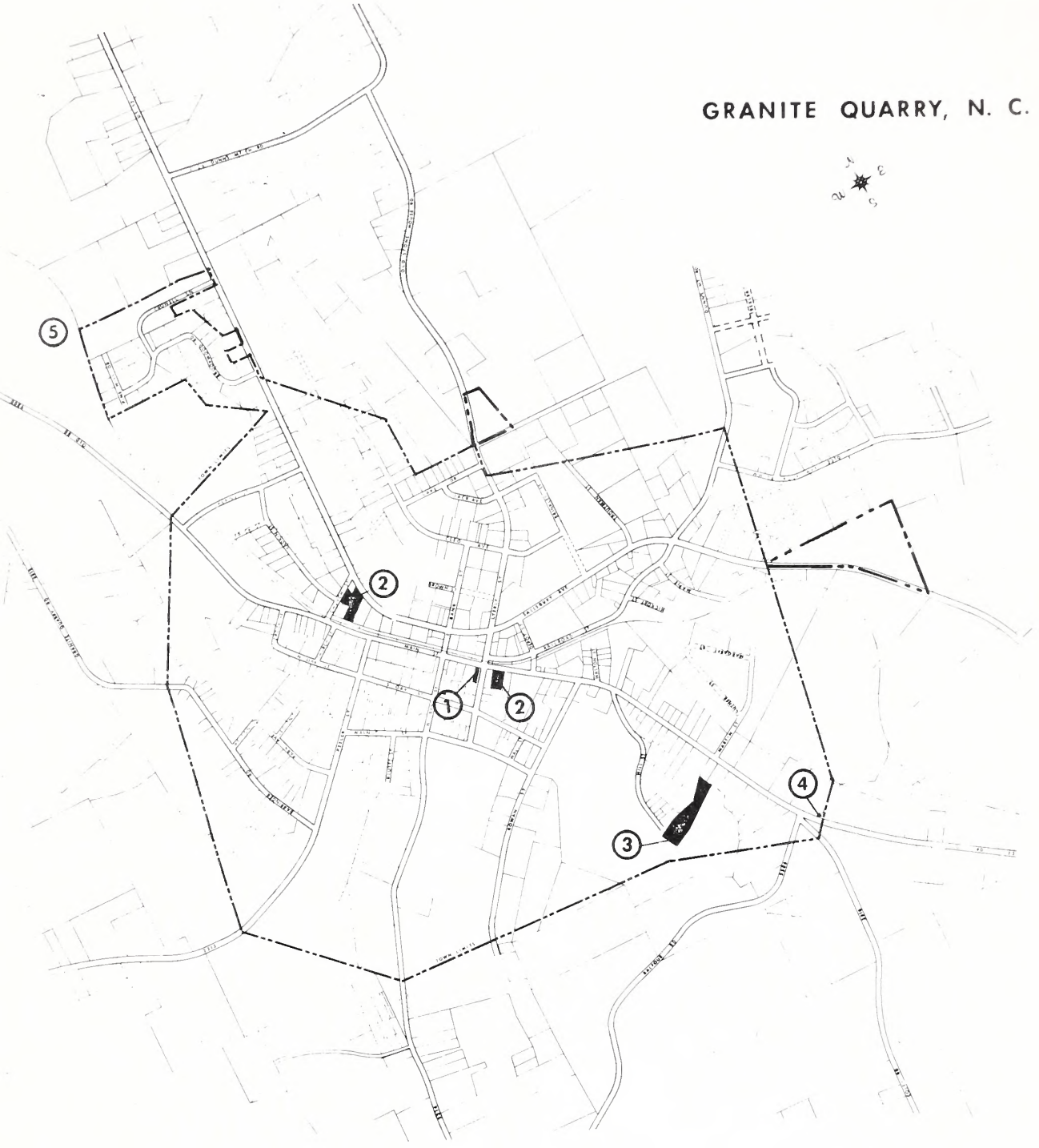
Over the past five fiscal years, property valuations in Granite Quarry have increased by about 46 percent, as is shown in Table 11. Numerical and percentage differences are shown in the appraised valuations for the years 1969 through 1974 which have increased $2,936,439.

TABLE 11 PROPERTY VALUATION CHANGES

Year	Appraised Valuation	Numerical Change	Percentage Change
1969	$6,341,031		
1970	$6,642,904	+$ 301,873	+ 4.8%
1971	$7,087,798	+$ 444,894	+ 6.7%
1972	$7,227,273	+$ 139,475	+ 2.0%
1973	$7,372,345	+$ 145,072	+ 2.0%
1974	$9,277,470	+$1,905,125	+25.8%
TOTAL		+$2,936,439	+46.3%

SOURCE: Granite Quarry Municipal Budgets

PROPERTY OWNED BY THE TOWN OF GRANITE QUARRY



LEGEND

1 TOWN HALL
2 VACANT LOTS
3 WATER TANK PROPERTY
4 SEWAGE LIFT STATION
5 WASTEWATER TREATMENT FACILITY

MAP-5

CAPITAL IMPROVEMENTS BUDGET

GRANITE QUARRY CAPITAL IMPROVEMENTS BUDGET

A summary of total capital budget project costs and the recommended sources of revenue are shown in Table 12. It appears that Granite Quarry will be able to meet funding requirements with current revenue or reserve funds during the capital budget period (FY 1975-76 through FY 1980-81) without the necessity of further bonding.

TABLE 12

GRANITE QUARRY CAPITAL BUDGET
FY 1975-76 - FY 1980-81

Item	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81	Total Cost to the Town over Six Year Period
PUBLIC WORKS DEPT.							
Street work[1]	$ 33,800[2]	$18,000	$18,500	$19,000	$19,500	$20,000	$128,800
Street pavings & repairs	$ 20,000	$10,000	$10,000	$10,000	$10,000	$10,000	$ 70,000
Street signs & traffic signals	$ 100	$ 100	$ 100	$ 100	$ 100	$ 100	$ 600
Sidewalks	$ 1,000	$ 500	$ 500	$ 500	$ 500	$ 500	$ 3,500
Survey of town boundaries		$ 6,000					$ 6,000
Pickup truck				$ 3,000			$ 3,000
Street truck					$ 500		$ 500
WATER DEPARTMENT							
Water line extensions	$ 5,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 10,000
SEWER DEPARTMENT							
Sewer line extensions	$ 16,400	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 41,400
Infiltration analysis study	$ 5,700						$ 5,700
FIRE DEPARTMENT							
Fire truck (combination pumper)[3]	$ 5,000RF	$10,000RF	$10,000RF	$15,000RF	$15,000RF		$ 55,000
Fire station complex	$ 70,000						$ 70,000
POLICE DEPARTMENT[4]							
Patrol car				$ 5,000			$ 5,000
Communications equipment for patrol car	$ 1,200						$ 1,200
ADMINISTRATIVE/GENERAL							
Municipal Building[5] -- site & furnishings	$ 70,000[6]						$ 70,000
Town code revision	$ 2,000	$ 500	$ 500	$ 500	$ 500	$ 500	$ 4,500
Office equipment		$ 500	$ 500	$ 500	$ 500	$ 500	$ 2,500
TOTAL CAPITAL EXPENDITURES	$230,200	$51,600	$46,100	$59,600	$52,600	$37,600	$477,700

[1]Powell Bill Funds

[2]$33,800 includes $17,649 in Powell Bill funds for FY 1975-76 plus $16,151 in accumulated budgeted surpluses.

[3]Reserve Fund for fire truck. $5,000 in Reserve Fund from FY 75. Accumulated in Reserve Fund: $10,000 in FY 76, $20,000 in FY 77, $30,000 in FY 78, $45,000 in FY 79, and $60,000 in FY 80.

[4]LEAA funding in the amount of 5% local, 5% state, and 90% federal for Police Department to pay for salaries, patrol car, uniforms, etc.--but not for communications equipment in patrol car (listed in Budget as "Police Equipment").

[5]Already accumulated in Reserve Fund prior to FY 1976: $110,000. Municipal Building expected to be purchased and furnished during FY 76.

[6]$20,000 from General Fund and $50,000 from General Revenue Sharing Trust Fund.

PUBLIC IMPROVEMENTS PROGRAM

GRANITE QUARRY PUBLIC IMPROVEMENTS PROGRAM

A summary of major public improvement program items are shown below. They represent, in part, the recommendations made in the Granite Quarry Community Facilities Study (1971), and are updated to reflect the full 20 year period through FY 1995-96.

For convenience and a clearer time perspective, the public improvements program has been divided into three separate five year time periods. The first, or short to moderate range study period, is FY 1981-82 through FY 1985-86. This period immediately follows this capital budgeting period and should, therefore, be fairly accurate. The second, or moderate to long range study period, is FY 1986-87 through FY 1990-91. And the third, or long range study period, is FY 1991-92 through FY 1995-96. Projections of improvements needed are based upon the circumstances at the present time and reflect the expected future needs of the Town of Granite Quarry.

PHASE I (FY 1981-82 - FY 1985-86) of Public Improvements Program:

1. Purchase a new fire truck as replacement for 1952 500 GPM pumper.
2. Purchase two new patrol cars.
3. Replace pickup truck.
4. Replace street truck.
5. Replace backhoe.
6. Continue policy of extending and improving water lines, replacing water lines of inadequate size, and looping deadend lines.
7. Continue policy of extending and improving sewer lines as needed.
8. Continue street survey policy for the acquisition of rights-of-way and installation of curb-and-guttering.
9. Make street improvements and repairs as needed.
10. Construct sidewalks as needed.
11. Purchase office equipment as needed.

PHASE II (FY 1986-87 - FY 1990-91) of Public Improvements Program:

1. Purchase two new patrol cars.
2. Replace pickup truck.
3. Replace street truck.
4. Replace backhoe.
5. Renovate water tank.
6. Continue policy of extending and improving water lines, replacing water lines of inadequate size, and looping deadend lines.
7. Continue policy of extending and improving sewer lines as needed.
8. Continue street survey policy for the acquisition of rights-of-way and installation of curb-and-guttering.
9. Make street improvements and repairs as needed.
10. Construct sidewalks as needed.
11. Purchase office equipment as needed.

PHASE III (FY 1991-92 - FY 1995-96) of Public Improvements Program:

1. Purchase a new fire truck as replacement for 1962 750 GPM pumper.

2. Purchase one new patrol car.

3. Replace pickup truck.

4. Replace street truck.

5. Continue policy of extending and improving water lines, replacing water lines of inadequate size, and looping deadend lines.

6. Continue policy of extending and improving sewer lines as needed.

7. Continue street survey for the acquisition of rights-of-way and installation of curb-and-guttering.

8. Make street improvements and repairs as needed.

9. Construct sidewalks as needed.

10. Purchase office equipment as needed.